

HOUSE BILL 643

49TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2009

INTRODUCED BY

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AN ACT

RELATING TO PUBLIC MONEY; PROVIDING AN ALTERNATIVE PROCEDURE
FOR INVESTING PUBLIC MONEY IN BANKS AND SAVINGS AND LOAN
ASSOCIATIONS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 6-10-24 NMSA 1978 (being Laws 1939,
Chapter 21, Section 1, as amended) is amended to read:

"6-10-24. DEPOSIT OF PUBLIC FUNDS IN FEDERALLY INSURED
BANKS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS--
CONDITIONS.--

A. The state treasurer, the [~~several~~] county and
municipal treasurers, the [~~treasurers~~] treasurer of any public
or educational institution in this state and the treasurers of
all irrigation districts and conservancy districts may deposit
public funds in any [~~bank of the state of~~] federally insured

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underscored material = new
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1 bank, savings and loan association or credit union in New
2 Mexico [~~insured by the federal deposit insurance corporation~~]
3 up to the amount of the insurance [~~or in any savings and loan~~
4 ~~association whose deposits are insured by the federal savings~~
5 ~~and loan insurance corporation up to the amount of the~~
6 ~~insurance or in any credit union whose deposits are insured by~~
7 ~~the national credit union administration up to the amount of~~
8 ~~the insurance]~~ without requiring the bank, savings and loan
9 association or credit union to qualify as a public depository
10 by giving security as required by the laws of New Mexico
11 relating to public money [~~provided, however, that a deposit~~
12 ~~made in any credit union shall not exceed that amount insured~~
13 ~~by an agency of the United States]~~.

14 B. The [~~several~~] county and municipal treasurers
15 and the treasurers of all irrigation districts and conservancy
16 districts shall not make any deposits outside their respective
17 political subdivisions.

18 C. All other boards of control handling public
19 funds in any manner whatever may deposit the public funds in
20 any [~~banks~~] federally insured bank, saving and loan association
21 or credit union in New Mexico [~~insured by the federal deposit~~
22 ~~insurance corporation~~] up to the amount of the insurance [~~or in~~
23 ~~any savings and loan association whose deposits are insured by~~
24 ~~the federal savings and loan insurance corporation up to the~~
25 ~~amount of the insurance or in any credit union whose deposits~~

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underscored material = new
[bracketed material] = delete

1 ~~are insured by the national credit union administration up to~~
2 ~~the amount of such insurance]~~ without requiring the bank,
3 savings and loan association or credit union to qualify as a
4 public depository by giving security as required by the laws of
5 New Mexico relating to public money [~~provided, however, that a~~
6 ~~deposit made in any credit union shall not exceed that amount~~
7 ~~insured by an agency of the United States]~~.

8 D. In addition to the deposit authority in
9 Subsections A, B and C of this section, and without regard to
10 the limitations and requirements of those subsections and
11 Sections 6-10-10, 6-10-24.1, 6-10-29, 6-10-31 and 6-10-36 NMSA
12 1978, the state treasurer, the county and municipal treasurers,
13 the treasurer of any public or educational institution in this
14 state and the treasurers of all irrigation districts and
15 conservation districts and all other boards of control may
16 deposit public funds in accordance with the following
17 conditions:

18 (1) the funds are deposited through a
19 federally insured bank or savings and loan association in New
20 Mexico that is selected by the depositing entity;

21 (2) the selected bank or savings and loan
22 association arranges for the deposit of the funds in
23 certificates of deposit in one or more federally insured banks
24 or savings and loan associations wherever located, for the
25 account of the depositing entity;

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1 (3) the full amount of the principal and any
2 accrued interest of each such certificate of deposit is insured
3 by the federal deposit insurance corporation;

4 (4) the selected bank or savings and loan
5 association in New Mexico acts as custodian for the depositing
6 entity with respect to such certificates of deposit issued for
7 its account; and

8 (5) at the same time that the depositing
9 entity's funds are deposited and the certificates of deposit
10 are issued, the selected bank or savings and loan association
11 receives an amount of deposits from customers of other
12 federally insured financial institutions wherever located equal
13 to or greater than the amount of the funds initially deposited
14 by the depositing entity through the selected bank or savings
15 and loan association."

16 Section 2. EFFECTIVE DATE.--The effective date of the
17 provisions of this act is July 1, 2009.